



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0114	Title:	State rainy day fund
Primary Sponsor:	Wanzenried, David E	Status:	As Introduced-Revised

- | | | |
|--|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund - unreserved	\$0	\$194,742,000	\$0	\$0
Revenue:				
General Fund - reserved (transfer)	\$0	\$194,742,000	\$0	\$0
Net Impact - Unreserved General				
Fund Balance:	\$0	(\$194,742,000)	\$0	\$0
Net Impact - Reserved General				
Fund Balance:	\$0	\$194,742,000	\$0	\$0

Description of fiscal impact:

SB 114 establishes criteria under which funds are transferred from the unrestricted general fund balance to the budget stabilization fund. The budget stabilization fund is a reserved sub-fund within the general fund.

FISCAL ANALYSIS

Assumptions:

1. The revenues anticipated in HJR 2 are reduced by the amounts assumed in the Governor's December 15, 2008 revised revenue estimates.
2. The level of spending in the Governor's December 15, 2008 budget is adopted by the legislature.
3. The CAFR FY 2008 ending fund balance is \$433.437 million.
4. The above assumptions are summarized in the following table.

	FY 2009	FY 2010	FY 2011
Beginning Balance	\$ 433.437	\$ 366.840	\$ 300.694
HJR 2 Revenue	1,915.65	1,873.59	1,941.53
Governor's Proposed Revenue adjustments	(42.94)	(57.12)	(43.10)
Governor's Proposed Spending	1,939.31	1,882.61	1,904.39
Ending fund balance	\$ 366.840	\$ 300.694	\$ 294.742
Transfer out January 1, 2011			\$ 194.742
Ending fund balance, June 30 2011			\$ 100.000

5. Prior to January 1, 2011, the Office of Budget and Program Planning will calculate the amount of general fund unreserved ending fund balance in excess of \$100 million and the Department of Administration will transfer to that amount from the unreserved ending fund balance to the budget stabilization account.
6. Unreserved general fund balances do not exceed the threshold for transferring into the Budget Stabilization Fund in the 2013 biennium.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Transfers	\$0	\$194,742,000	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01) unreserved	\$0	\$194,742,000	\$0	\$0
<u>Revenues:</u>				
General Fund (01) reserved (transfer)	\$0	\$194,742,000	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01) unreserved	\$0	(\$194,742,000)	\$0	\$0
General Fund (01) reserved	\$0	\$194,742,000	\$0	\$0

Long-Term Impacts:

Over time, a reserved budget stability fund will be available to the Legislature and the Governor to use in times of revenue shortfall or other emergency situations.

Technical Notes:

The current HJR 2 revenues were updated in this fiscal note due to economic conditions that have occurred after the HJR 2 estimates were adopted. Economic conditions have caused both the Legislative Fiscal Division and the Office of Budget and Program Planning to lower revenues estimates. The lower estimates of the Office of Budget and Program Planning have been used in this fiscal note.

Sponsor's Initials

Date

Budget Director's Initials

Date